

## Message Text

CONFIDENTIAL

PAGE 01 TEGUCI 01828 01 OF 02 022046Z

66

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20 USIA-15 AID-20

STR-08 EB-11 SIL-01 LAB-06 COME-00 AGR-20 DRC-01 /162 W

----- 012217

R 021739Z MAY 74

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 6973

INFO DIA WASHDC

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

USCINCSO

C O N F I D E N T I A L SECTION 1 OF 2 TEGUCIGALPA 1828

E.O. 11652: GDS

TAGS: PGOV, PINS, HO

SUBJECT: CURRENT TROUBLES OF THE CABINET

SUMMARY: FOR SOME TIME THERE HAS BEEN A STRONG POLITICAL CAMPAIGN AGAINST THE CABINET. ALTHOUGH CAMPAIGN HAS BEEN ORCHESTRATED BY POLITICAL OUTS AND MINORITY BUSINESS ELEMENTS, IT HAS FOUND INCREASING ECHO IN SOME MILITARY CIRCLES. SOME CABINET MINISTERS ARE BECOMING UPSET BY THE ATTACKS. BASIC PROBLEM HOWEVER, IS GENERAL LOPEZ. HOWEVER EFFECIENT THE CABINET, IT IS NOT STRUCTURED TO ACT AUTONOMOUSLY. END SUMMARY.

1. FOR SOME MONTHS NOW THE OPPOSITION HAS MOUNTED A HEAVY PROPAGANDA CAMPAIGN AGAINST THE GOVERNMENT, AND SPREAD RUMORS THAT THE MILITARY PLAN TO REVOLT AGAINST LOPEZ AND FORCE A CHANGE IN GOVERNMENT. ALTHOUGH THE EMBASSY DISCOUNTS THE POSSIBILITY OF A GOLPE, THERE IS IN FACT A GROWING CRITICISM OF THE CABINET AMONG MILITARY OFFICERS, COMPOUNDED BY A CERTAIN DISARRAY WITHIN THE GOH AND THE  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TEGUCI 01828 01 OF 02 022046Z

CABINET ITSELF.

2. UP TO NOW GOH HAS BEEN ABLE TO KEEP ON AN EVEN KEEL RATHER WELL BY (A) IMPROVED ADMINISTRATIVE AND FISCAL PERFORMANCE, INCLUDING GOOD REVENUE INCREASES EVEN UNDER OLD TAX BASE, AND CURBING OF CORRUPTION, (B) ONGOING PLANNING, (C) SUBSTANTIAL IF PRELIMINARY MOVES IN RESETTLEMENT OF PEASANTS, (D) SOME RHETORICAL IDENTIFICATION WITH PEASANT AND LABOR GOALS (BUT WITH ONLY MINIMAL ACTUAL CONCESSIONS TO LABOR), AND (E) FITFUL CONSULTATIONS WITH THE PRIVATE SECTOR WHICH HAVE NOT ALLAYED SUSPICIONS BUT HAVE DEPRIVED THE MORE REACTIONARY PRIVATE BUSINESSMEN OF CREDIBLE ISSUES TO UNIFY ENTREPRENEURIAL RANKS AGAINST THE GOVERNMENT.

3. PAST YEAR HAS BEEN, HOWEVER, ESSENTIALLY TIME OF PREPARATION, AND GOH IS NOW EMERGING INTO AREA WHERE PERFORMANCE INCREASINGLY IS REQUIRED. THIS TRANSITION IS PROVING DIFFICULT. CABINET IN FACT DURING PAST TWO MONTHS SETTLED INTO SORT OF TROUGH FROM WHICH IT HAS NOT GENERATED MUCH FORWARD MOTION.

4. REASONS ARE MIXED:

(A) DRIFT AND SLACK LEADERSHIP OF GENERAL LOPEZ. HE IS NOT MAKING TIMELY DECISIONS WHICH PERMIT SUITABLE CABINET ACTION.

(B) CERTAIN EROSION OF COLLEGIALITY, COMPLICATED BY ALMOST TWO TO FOUR MONTH ABSENCES FROM COUNTRY OF MINECON BENNATON AND FONMIN BATRES. BENNATON DELIBERATELY BYPASSED CABINET ON HIS BANANA SURCHARGE VENTURE, ALTHOUGH EVENTUALLY IT HAD TO BE REFERRED TO COUNCIL OF STATE FOR ENACTMENT. BENNATON'S FREEWHEELING ON ISSUE IN DIRECT COLLABORATION WITH GENERAL LOPEZ OUTRAGED MIN FINANCE ACOSTA AND PLANNING MINISTER MARTINEZ, WHO CONSIDER ORIGINAL SCHEME UNREALISTIC, AND MIN LABOR FONSECA, WHO FIRST LEARNED FROM OUTSIDERS THAT BENNATON WAS PROMISING THE TRADE UNIONS A CUT OF HIS BANANA PIE. ANOTHER DIVISIVE ISSUE IS THAT SOME CABINET MINISTERS SEEM TO PREFER AN ADVERSARY RELATIONSHIP TO THE PRIVATE SECTOR, WHEREAS

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TEGUCI 01828 01 OF 02 022046Z

OTHERS ARE TRYING TO COOPT IT INTO PLANNING.

(C) AT CLOSE RANGE INDIVIDUAL MINISTERS ARE SHOWING DISCOMFORT AT EXAGGERATED ABUSE AND TACTICS OF OPPOSITION. FONSECA HAS TOLD US THAT HE WANTS TO RESIGN, AND WE HAVE HEARD SIMILAR STORIES ABOUT ACOSTA AND BATRES. BATRES' LONG ABSENCES IN FACT ARE INTERPRETED AS DELIBERATE DISTANCING OF HIMSELF FROM DOMESTIC POLICY, IN WHICH

DURING 1973 HE HAD PLAYED CRUCIAL MEDIATING AND CONCILIATORY  
ROLE. HE HAS, HOWEVER, NOW TOLD US THAT HE PLANS NO  
FURTHER LONG ABSENCES UNTIL LATE JULY.

(D) LOPEZ AND CABINET SHOWED PUBLIC RELATIONS MALADROIT-  
NESS IN HANDLING AGRARIAN REFORM PLANNING, IN PERMITTING  
REACTIONARY LANDOWNERS TO PRESENT IT AS "COMMUNIST".  
OPPOSITION WAS THUS ABLE TO POLITICIZE ISSUE, NOT ON ITS  
MERITS BUT AS STRAIGHT PROPAGANDA MATTER. (EMBTel 1388).

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 TEGUCI 01828 02 OF 02 022048Z

66

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20 USIA-15 AID-20

STR-08 EB-11 SIL-01 LAB-06 COME-00 AGR-20 DRC-01 /162 W

----- 012234

R 021739Z MAY 74

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 6974

INFO DIA WASHDC

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

USCINCSO

C O N F I D E N T I A L SECTION 2 OF 2 TEGUCIGALPA 1828

(E) LABOR MINISTER ALSO MISHANDLED WILDCAT STRIKE AT  
CURTIDOS PLANT IN SAN PEDRO SULA (IT WAS NOT ENTIRELY  
HIS FAULT), SO THAT OPPONENTS WERE ABLE TO MISREPRESENT  
IT AS GOH SPONSORSHIP OF ILLEGAL MOVES AGAINST PRIVATE  
BUSINESS (WHICH IS WAS NOT). THIS AND PREVIOUS MISTAKE  
HAD EFFECT OF ALIENATING SOME NORTH COAST BUSINESS SUPPORT  
FOR GOVERNMENT, AND EVEN WORSE OF SCARING SEVERAL KEY  
MILITARY OFFICERS. THE CABINET IS NOW FACED WITH FURTHER  
NORTH COAST UNION TROUBLES.

5. THESE PROBLEMS ARE REALLY DUE TO LOPEZ, BECAUSE THE

CABINET FOR STRUCTURAL REASONS IS HANDICAPPED IN ACTING AUTONOMOUSLY. ALTHOUGH IT IS THE GOVERNING INSTRUMENTALITY OF THE ARMED FORCES, IT IS A PARALLEL BODY WITH NO LATERAL CONNECTIONS TO THE MILITARY EXCEPT THROUGH LOPEZ. THIS PECULIAR ARRANGEMENT PUTS GREAT PRESSURE ON THE CABINET, SINCE IT IS EXPECTED TO PLAY THE ACTIVE ROLE IN THE GOH. PRESSURE IS ALL THE GREATER BECAUSE THE GOH, BEING SELF-INSTALLED, LOOKS A NORMAL CONSTITUENCY AND MUST CONTINUALLY RENEW ITS OWN RAISON D'ETRE BY SOME KIND OF VISIBLE PERFORMANCE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TEGUCI 01828 02 OF 02 022048Z

AND IT IS ISOLATED FROM REGULARIZED CONTACT WITH ITS REAL CONSTITUENCY, WHICH IS THE ARMED FORCES COMMAND. IT IS THIS ISOLATION WHICH HAS LED MANY MILITARY OFFICERS INTO SUSPICION OF CABINET MOTIVES AND AIMS.

6. LOPEZ' FAILURES ARE:

(A) IN NOT SHOWING VIGOROUS DAY-TO-DAY LEADERSHIP TO THE CABINET. HIS INTERVENTIONS ARE FORCEFUL ENOUGH, BUT INTERMITTENT. PART OF THE GOH PROBLEM IN THE CURTIDOS STRIKE, AND OF DANGER WITH CURRENT LABOR DISPUTE IN THE LOVABLE BRASSIERE FACTORY (WHICH THREATENS TO INVOLVE THE WHOLE NORTH COAST LABOR FEDERATION FESITRANH), IS THAT LOPEZ FAILED IN THE FIRST, AND SO FAR HAS FAILED IN THE SECOND, TO INTERVENE TO COORDINATE STRATEGY. THIS OBLIGES LABOR MINISTER FONSECA TO OPERATE WITH AN UNCERTAIN MANDATE ON CRITICAL AD HOC PROBLEMS.

(B) LOPEZ' OTHER EXECUTIVE DEFICIENCY IS POOR MEDIATION BETWEEN THE CABINET AND THE OFFICER CORPS.

(C) FINALLY, HE HAS LITTLE COMPREHENSION OF PUBLIC INFORMATION POLICY. THE OPPOSITION, OPERATING IN A COMPLETELY UNCENSORED SITUATION, IS ABLE TO INVENT AND SELL THE MOST EXTRAVAGANT ALLEGATIONS, WHICH GO UNREBUTTED FOR WEEKS AND THUS SINK INTO PUBLIC CONSCIOUSNESS. MOST OF CABINET ARE NOT MUCH BETTER IN THIS AREA.

7. THE CABINET IS AWARE OF ITS VULNERABILITY TO ATTACK, AND IS CONCERNED ABOUT IT, ALTHOUGH THEY HAVE NOT GIVEN ANY SIGNS OF PANIC. THEIR LACK OF CONTACT WITH THE MILITARY LEADS THEM TO CREDIT WILD STORIES, WHICH THEY CAN NEITHER PROVE NOR DISPROVE FOR LONG PERIODS. LAST SATURDAY THEY WORRIED FOR SEVERAL HOURS ABOUT RUMOR THAT AIR FORCE HAD ARRESTED AND IMPRISONED COL. MIGUEL ANGEL GARCIA, SECOND ZONE COMMANDER. CURRENT IMMEDIATE CONCERN OF CABINET IS THAT LOVABLE BRA PROBLEM MAY LEAD INTO GENERAL STRIKE. (COMMENT: EMBASSY CONSIDERS THAT THERE IS ONLY OUTSIDE CHANCE OF THIS HAPPENING SOON).

8. IN SPITE OF THE CABINET'S MEAGER PUBLIC ACCOMPLISHMENTS  
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TEGUCI 01828 02 OF 02 022048Z

IN OVER THREE MONTHS (MINIMUM WAGE LAW, FORESTRY LAW, AND BANANA SURCHARGE) IT HAS CONTINUED TO PERFORM WELL IN PLANNING AND GENERAL ADMINISTRATION. IT SUFFERS FROM A PSYCHOLOGICAL AFFLICTION RATHER THAN MALPERFORMANCE. CENTRAL PROBLEM IS TO KEEP PLUGGING ON AGRARIAN REFORM, AND TO CALM DOWN TEMPER AND EXPECTATIONS IN COUNTRYSIDE. WORST POTENTIAL PROBLEM WILL BE TO DEAL WITH CONSEQUENCES OF STANDARD FRUIT'S STOPPAGE OF BANANA SHIPMENTS.

9. PSYCHOLOGICALLY LOPEZ AND THE CABINET HAVE MADE SEVERAL MOVES TO REASSURE THE PRIVATE SECTOR. THEY HAVE BEGUN TO DEEMPHASIZE THEIR PUBLIC IDENTIFICATION WITH LABOR AND THE PEASANTS, E.G. BY NOT PARTICIPATING IN THIS YEAR'S MAY DAY CEREMONY. THEY HAVE ISSUED A MODERATE MINIMUM WAGE LAW, THOROUGHLY VETTED AND APPROVED BY PRIVATE ENTERPRISE. THEY ARE ACTIVELY MEDIATING LABOR DISPUTES AT THE PUERTO CORTES, TEXACO AND STANDARD FRUIT. AND THEY HAVE PASSED WORD IN NUMEROUS CHANNELS THAT AGRARIAN REFORM WILL NOT BE RADICAL.

10. EVEN BETTER, NEED OF SELF-DEFENSE HAS DRAWN CABINET CLOSER TOGETHER AND INTO INTENSIFIED ACTIVITY. CABINET TRAVEL IS BEING RESTRAINED. IF THEY KEEP THIS UP, LOPEZ AND MINISTERS MAY PULL OUT OF STALL SPEED THEY WERE APPROACHING IN LATE MARCH AND EARLY APRIL. BUT THE FOREGOING ATRUCTURAL INFIRMITIES WILL CONTINUE TO PLAGUE THE GOVERNMENT. IT IS A SHIP WHICH WILL BE UNSTABLE EXCEPT AT A MINIMUM FORWARD VELOCITY.

1. EMBASSY WILL EXAMINE BACKGROUND AND PROSPECTS OF CAMPAIGN AGAINST LOPEZ AND GOH IN SEPTTEL.  
SANCHEZ

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CABINET, PROPAGANDA, GOVERNMENT OVERTHROW, DISPUTES, POLITICAL SITUATION, OPPOSITION PARTIES, FORM OF GOVERNMENT, MILITARY PLANS, POLITICAL LEADERS, PUBLIC ADMINISTRATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974TEGUCI01828  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740105-1070  
**From:** TEGUCIGALPA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740578/aaaacsqt.tel  
**Line Count:** 263  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 SEP 2002 by cunninfx>; APPROVED <13 JAN 2003 by garlanwa>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CURRENT TROUBLES OF THE CABINET SUMMARY: FOR SOME TIME THERE HAS BEEN A STRONG POLITICAL  
**TAGS:** PGOV, PINS, HO, (LOPEZ)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005